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ABSTRACT

The preliminary study explores the feasibility of a voucher system for purchase of skill training by participants in the Work Incentive Program (WIN) and describes the Portland, Oregon voucher system. Time limits on vouchers, voucherable occupations, dollar limits on vouchers, eligibility of clients, eligibility of vendors, timing and financial assistance for voucher decisions, and client and counselor role content are discussed. Data on personal characteristics of 167 voucher clients (about one-third of those enrolled in the 1974 local WIN program) are compared to data on 161 clients who had taken regular WIN training in Portland in 1973. This section contains tables and discussion comparing the two groups with reference to occupations and the schools, the training occupations, the training institutions, length and costs of training, and counselor experience with the voucher programs. Conclusions deal with attractiveness of the program, clients' decisions and levels of occupational choice, preference of training schools, use of allowable time and money, and cost comparison. Conclusions point generally to administrative feasibility, and plans are outlined briefly for followup studies. (MDW)

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THE FEASIBILITY OF VOUCHERED TRAINING IN WIN:

Report on the First Phase of a Study

By

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CHAPTER I

Introduction: The Voucher Concept and the Bureau's Study

This is a report on the early stages of an exploratory program to test the feasibility of the introduction of a voucher system for the purchase of skill training by participants in the Work Incentive Program (WIN). Like other voucher systems, it is based on the hypothesis that this alternative means of providing goods and services will result in more satisfactory, more relevant, and less costly program operation.

Programs which substitute vouchers for the direct provision of services are not new in the United States. An early version is the education benefit under the GI Bill; the food stamp program is a voucher system, as are Medicare and Medicaid; and the Judicare program provides vouchers for certain legal services. Recently, however, interest has grown in potential new applications of the voucher concept for housing[1], for educational services for youngsters[2], for manpower training, and for the purchase of jobs.

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[1]Studies of supply and demand for vouchered housing are currently underway in Allegheny (Pittsburgh) and Maricopa (Phoenix) Counties.

[2]The best-known program is in the Alum Rock school district (San Jose), where parents receive a voucher equal to the district's per-pupil educational expenditure and may select for their children any one of 13 public schools (with 40 "mini-schools," or special courses) participating in the program. The State of New Hampshire is in the planning stages of developing an educational voucher system which will include private schools, as well.

Two central sets of assumptions underlie the variety of voucher programs currently in operation or under study. The first set has to do with the recipients of the goods or services, or the demand aspects of the transaction. Among these assumptions (more accurately, hypotheses) are:

> putting decision-making, negotiating and purchasing power into the hands of the consumers of services will increase the likelihood that individual client needs will be met adequately. Clients know their interests, abilities, and needs, or can come to know them, and they will make consumption decisions which are at least as good as those made by program agency personnel;
>
> allowing a client to choose a supplier in terms of his own needs, and thereby not limiting his potential choices to those made available by an agency, broadens his options for both a range of services and a variety of suppliers;
>
> giving the client the opportunity to participate meaningfully in decisions about his life will increase his skill in dealing with a variety of institutions, and will enhance his self-esteem, his sense of personal efficacy, and his commitment to the accomplishment of his goals.

The second set of hypotheses has to do with the supply side, or the characteristics and behavior of the suppliers of the goods and services in question. An important assumption here is that voucher holders will not patronize vendors who do not have offerings which are adequate to satisfy clients' needs, and that in the operation of free market processes vendors will become more responsive to client needs and wishes in order to attract voucher money. Hypothetically, this process will eliminate useless, bad or otherwise undesirable suppliers, and support and encourage the operations of good ones.

In addition to these hypotheses, other benefits are expected to result from the substitution of vouchers for direct provision of goods and services. One of these is that, by shifting to the clients themselves some of the responsibility for arranging for service

delivery, public agency work loads might be reduced and some administrative savings realized. And, finally, as clients choose from a broader range of vendors, there may be a more heterogeneous mix of participants in the social institutions which are involved--schools, hospitals, and so forth--which may result in the elimination of the service ghettos which have been characteristic not only of housing but of other institutions, as well.

The applicability of voucher systems in the manpower area has been under consideration and study for a number of years, Vouchers have been used on a limited scale in a public employment program for veterans of the Vietnam War in Orange County, California, and applications in other public employment programs are under consideration. Income maintenance experiments in Seattle and Denver include vouchered manpower training components. And smaller-scale vouchered employment and training programs have been established by the State of Massachusetts and elsewhere.

Almost two years ago, a design for an experiment on vouchering manpower training in the WIN program was developed by Leonard Goodwin of the Brookings Institution. Arguing on the basis of his studies of work attitudes and labor force behavior of various segments of the population,[3] which showed that low self-esteem and expectation of failure, rather than rejection of the "work ethic," accounted for the labor force behavior of many poor people, he proposed a test of the hypothesis that clients who had received vouchered training would experience greater self-confidence than clients who had received training under more conventional circumstances. He further hypothesized that those gains might be reflected in a greater likelihood

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[3]Most notably, Do the Poor Want to Work? (Washington: Brookings, 1972).

that clients would complete training, or that they would move on to jobs with greater frequency, or that they would realize higher earnings, or all of these.

Goodwin's study design was reviewed by staff members of the Manpower Administration and the Bureau of Social Science Research, as well as by members of the National Manpower Adivsory Committee's Subcommittee on Research, Development and Evaluation. The reviewers were generally in favor of carrying out an experiment along the lines suggested in the proposal, provided that such a study was administratively feasible, given the structure of WIN operations at the local level. Questions were also raised about such matters as the range and treatment of variables suggested in the proposal, the extent to which the client would have an unrestricted choice of occupation, and the role of counseling and testing in this context. It was felt that these and other administrative and procedural questions needed resolution before a full-scale experiment or demonstration could be undertaken.

The introduction of vouchers into the ongoing WIN program seemed likely to present challenges and problems with which other voucher programs had not had to come to terms although, of course, all social experiments have to deal with surrounding events over which they have no control and which can play havoc with both substance and design. But to introduce vouchers on a trial basis into a highly structured program was expected to present a number of difficulties, among the most obvious of which were fitting the requirements of the study into existing WIN guidelines and regulations; reconciling the concept of free client choice with existing counseling practices and agency performance standards; and coping with the possibility that

clients would be unwilling or unable to take on the responsibilities and initiatives required by the voucher system. In addition to these, we anticipated the potential for difficulties associated with any vocational education system, such as the management of client failure in the program; dealing with dishonest or inadequate schools without at the same time undertaking a major task of accreditation; and maintaining some degree of control over tendencies for training costs to be excessive.

To gain a better understanding of the extent to which these and other issues might affect a demonstration project, the Bureau was asked to conduct a study in which a limited number of vouchers would be issued in one site, and the behavior and attitudes of clients, WIN staff members, and training institutions observed. Our assignment was to review the experience of existing voucher projects in related areas, locate with the help of the national and regional WIN offices potential sites for the feasibility study, develop a design for the voucher program and a set of procedures for its administration, carry out the voucher-issuing phase, collect relevant research data, and report to the Department of Labor on our conclusions with respect to the feasibility of undertaking a full-scale demonstrat on project.

Following the nomination by the Department of Labor of ten potential sites for the feasibility test, Bureau personnel visited each of them in order to explore several questions: whether the program staff was receptive to the voucher concept and to the study and its research requirements; whether the organization of the local program's training function (especially the degree to which the program relied on group rather than individual referral to training

positions) was different enough from the voucher system to allow possible changes in client and staff behavior to show up empirically; whether the volume of client intake was large enough so that the study could be carried out over a fairly short period; and whether the variation in the demographic composition of the local WIN clientele was sufficiently great to enable us to detect any differences in voucher utilization by clients with different sets of social characteristics.

Several potential sites were not interested in undertaking the project for a variety of reasons, and others did not safisfy our criteria for an appropriate test situation. Our exploration led to the initial selection of the San Diego program as the most suitable available study site. The plan to carry out the study there was abandoned, however, when the State of California was unable to arrange for contribution of part of the cost of the vouchers, and our options were reduced to the Dallas, Texas, and Portland, Oregon, WIN programs. The decision, a close one, was made to go to Portland, on the basis that the characteristics of that program fit our criteria slightly more closely, particularly that of the mix of client characteristics.[4] Beginning in the spring of 1974, the Bureau organized an on-site field staff to oversee day-to-day events during the period when vouchers were issued, took several steps (described below) to prepare the Portland WIN staff for the feasibility test, and in late April issued the first vouchers.

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[4]It should be noted that both Dallas and Portland were very interested in participating in the project, and were prepared to offer excellent cooperation in meeting the operating and research needs of the study. By the same token, however, neither site seemed likely to offer the conditions which would give the voucher system a particularly "hard" test, given the administrative climate which prevailed in both cities. Moreover, while we selected Portland over Dallas because it offered greater variation in client characteristics--for one thing,

The remainder of this report is a summary of the activities carried out under our grant, and includes the empirical findings which are presently available to us. In the next chapter, the major outlines of the Portland voucher system, and our preliminary assessment of it, are presented. In Chapter III, more systematic data are presented on clients' and WIN staff members' experiences during the early stages of the program--through the point in the process at which the client committed his voucher to a training institution. The report ends with our tentative conclusions on the administrative feasibility of the program, and a brief discussion of where, in our view, additional demonstration efforts and research on vouchered vocational training might profitably be directed.

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the Portland WIN program provides services to male clients, while in Dallas eligibility for AFDC is restricted to females--the educational level of Portland clientele was higher than is true of the clients of most WIN programs. On balance, we feel that our choice was a wise one, since it would probably have been impossible to make much headway in the assessment of the administrative feasibility of a demonstration project in a more "difficult" site, with unsympathetic administrators and extraordinarily disadvantaged clients. Such a test should come at a later stage in program development.

CHAPTER II

Main Features of the Portland Voucher System and Early Experiences with Them

In designing the voucher system, we sought to adhere so far as possible to current WIN program administrative guidelines, while at the same time maximizing individual client autonomy in his choice of a training occupation and a school. The program procedures are described briefly and in broad outline below.

Time Limits on Vouchers

Vouchers could be used to pay for up to one year of skill training which would lead to a "reasonable expectation" of employability. Training plans which appeared to involve strictly avocational content (such as one client's proposal to undertake a recreational photography course) or which covered only the first year of a multi-year course (such as that for registered nurses) were not voucherable. On the other hand, a client who wished to complete the last year (or less) of a longer course could use the voucher to do so.

The one-year upper limit on training was a somewhat stricter restriction than we had initially thought it would be, since it meant the elimination of whole occupations, such as cosmetology (a 14-month course), certain radio and television technical occupations, taxidermy, or accounting technology, which might very well have been suitable for voucher clients. In addition to this type of limitation, we were unable to voucher the 12-month training course for licensed practical nurses, because of the timing of the field phase of the study: we began to issue vouchers after the deadline for applications for the fall 1974 semester had passed.

Voucherable Occupations

Except for the limits necessarily imposed by the one-year maximum for training (and unintentionally by the timing of the study), neither local labor market conditions nor staff judgment of suitability were to restrict clients' occupational choices. This provision was a matter of considerable concern at the outset of the study: we had repeatedly been warned during the site exploration discussions that WIN clients are ill-prepared to make adequate occupational decisions and that if left unregulated they would make wildly inappropriate choices. At least so far as the overall distribution of occupational choices is concerned, however, this has clearly not been the case for the Portland clients,[1] and the fears appear not to be justified.

Dollar Limits on Vouchers

There was no strict limit on the dollar amount of the training which voucher clients could undertake except, again, that implied in the one-year provision. In order to protect the voucher program against runaway costs, however, a system was established which provided for local, state, and regional review and approval of any training proposal which would incur costs in excess of $2,500. As it happened, this alarm was never triggered[2]--the most expensive training course cost $2,463, and the median cost of training was considerably lower: $919.

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[1]Details on occupational choices and other aspects of the program will be found in Chapter III.

[2]We understand that in order to avoid the necessity of going through the rather cumbersome review system, a member of the Portland staff interceded with training institutions to reduce the total cost of training, in a few cases.

Eligibility of Clients

It was our intention that every new client of the WIN program who wanted to enter institutional training be eligible to receive a voucher. There were, however, certain ambiguities in the written procedures which were not recognized until the program was under way, so that it was possible for the WIN counselors to interpret their task as first to make a judgment on the suitability of individual clients for training, and then to offer the voucher only to those for whom it seemed most appropriate. It is our belief that this ambiguity was clarified fairly early in the program, and that it affected relatively few clients. Nonetheless, there are clear differences between the voucher group and WIN clients in general: the voucher clients were younger, more likely to be white, and had somewhat more education than the general run of Portland WIN participants. The data on the social characteristics of the trainees no doubt reflect continuation of some "creaming" of the WIN clientele for vouchered training. But it is likely that another part of the explanation for the differences between voucher trainees and WIN clients in general is that there is a tendency for self-selection into or away from the voucher program on the part of the clients themselves, and that it is primarily the younger, better-educated people who wish to undertake training and the responsibilities associated with participation in the voucher program. We do not yet have an answer to the question of which of these factors--creaming and self-selection--is the more important determinant of the composition of the voucher group.

Eligibility of Vendors.

Clients could elect to use the voucher at whatever training institution in the Portland area they chose where they could arrange to be admitted.[3] As was the case with the issue of limits on occupational choice, we had been warned in our preliminary discussions with WIN personnel that some schools would be likely to take unfair advantage of the program, by charging higher prices for voucher students, by overselling clients on training courses, and so forth. We were also cautioned about clients' ability to distinguish between adequate and inadequate vendors. Finally, we were told that clients might be attracted chiefly to private schools, where training tends to be more intensive and shorter in overall duration, and that the voucher system would constitute a threat to the existence of the public vocational training system.

It is too early to tell how valid these concerns are. While it is the case that no particularly serious problems with schools have emerged so far, certainly the real test would come with the widespread, more or less permanent establishment of vouchered training programs.

We are at least partially reassured, however, on each of the points raised above. As reported earlier, it did not develop that

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[3]As an aid in selection of a school, clients were provided with a list of all known training institutions in the metropolitan area, together with the occupations for which each offered training. The list was abstracted from the Oregon Board of Education's Steps Beyond High School, which was not limited to institutions approved for veteran's training or otherwise certified as "suitable." Of course, vouchers could be used anywhere in Portland, not just at the schools on the list, and this was to be made clear to clients by the counselors.

any large proportion of schools undertook training which approached the $2,500 total which would have led to a review, and the median cost of training was well below that. There is only fragmentary evidence of any tendency for schools to arrange overly elaborate (and longer and more expensive) training courses for the voucher clients.[4] There were a few cases in which it appeared that the school tailored (simplified) a course to accommodate the one-year training maximum, providing fewer hours of instruction in preparation for a somewhat lower level of the occupation in question. This need not necessarily be an undesirable action on the part of the school, since it may enable the client to enter (and perhaps advance in) an occupation which would otherwise not be accessible. It will bear watching in further examination of schools' responses to the voucher program, however.

At the most general level, there seems to have been no serious trouble with the clients' vendor selections. For example, the clients very clearly did not flock to marginal, unestablished, generally undesirable schools. In fact, the distribution of voucher commitments by school is nearly exactly the same as that for a group of WIN clients who were in institutional training prior to the vouchering period. Whether specific individual/school matches are reasonable, however, is still unexamined, and will be investigated as part of the follow-up study described in Chapter IV.

The vendor selection aspect of the program was not entirely

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[4] In one such incident, a client wished to be trained as a keypunch operator, but was persuaded by the school to commit the voucher for training as an executive secretary. This client attended classes for a short time, began to fear she could not do the course work, then dropped out of training and the WIN program.

without its problems, of course. One school went bankrupt without warning, leaving two voucher clients temporarily stranded. In at least one case, there is serious doubt on the part of the WIN staff about whether the school should be allowed to stay in business at all.[5] And we know of one case in which a school continued to bill the WIN program monthly, even though the client had dropped out of training (but WIN was able to recover these payments easily). These kinds of problems do not seem to be specific to the voucher program as such, however, but are more general problems of the organization of vocational training.[6]

Finally, the voucher program seems not to have posed any short-run threat to the public training institutions--indeed, a higher proportion of voucher clients were trained at public schools than was the case for pre-voucher WIN institutional trainees.

Timing and Financial Assistance for Voucher Decisions.

Each voucher client was to make his decision on the occupation for which he would be trained and to complete his negotiations with the training institution within six weeks of the date the voucher was issued to him. This was an arbitrary time limit which turned out

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[5]We asked the counselors for their judgments on the general adequacy of each of the training institutions chosen by the voucher clients, in order to get some preliminary notion of the wisdom of the choices. It is interesting to note that there was wide inter-counselor variation in these ratings. There was more disagreement about the adequacy of private schools than about public institutions. This suggests, at the very least, that one would be hard put to establish vendor eligibility criteria on the basis of the experience of the WIN program staff.

[6]Currently, there are a number of efforts under way to provide meaningful consumer protection in the vocational education area. The

to be quite sufficient for most of the clients. Only seven vouchers were called back because the search time had expired, and the median time spent in the training search was just eight days.

So that the client might make as wide an exploration of possibilities as he wished, he was provided (on his request) with up to $2.50 per day for reimbursement of transportation expenses and meals away from home during his search for a training position. Most clients found this a helpful provision, apparently--nearly everyone used the training search money, and they spent just under $18 each, on the average.

Client and Counselor Role Content.

Within the limits just described, the primary responsibilities and options for the choice of training occupation, for finding the training institution, and for securing admission to the school were shifted from the agency to the client, with the intention of maximizing his autonomy and control over decisions which affect his life.

Transferring these decisions from the agency to the client raises questions about how the client will assemble the information he needs about himself, and about occupations, employment opportunities, and training resources, in order to make a decision with which he is comfortable and which has some reasonable relation to his own interests and abilities. It was to be the central responsibility of members of the WIN staff (especially counselors) to make this information avail-

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Federal Trade Commission, the U.S. Office of Education, and a number of state and private agencies are involved in these efforts. Stronger legislation and better accreditation and consumer protection measures would of course greatly facilitate the introduction of vouchered training in manpower programs.

able to clients who wished it, and to act as facilitators of the clients' decision-making activities in general.

Of course, the WIN agency is only one potential source of the kinds of information clients might want or need in order to make these decisions, and other information sources may be more useful or attractive to them. But to the extent that clients wish to draw on agency resources, it is important that WIN be able to respond. Beyond that, it seems clear that any large-scale voucher system should include a well-organized labor market information system, directly accessible to clients and designed in terms of their needs.

We did very little to supplement or otherwise modify the labor market information materials already in use in Portland, but preferred instead to let the specifics of any needs for changes develop during the vouchering process, and to treat them as outcomes of the feasibility study. To monitor the emergence of these needs, we utilized the experience of Mr. Jonathan Ezekial of Seattle, who participated in the development of the labor market information systems in use in the Seattle and Denver income maintenance studies. His assignment was to investigate the general Portland WIN labor market information situation and to develop recommendations for design of an information system which would be applicable in Portland as well as other cities.

Ezekial's work has provided us with some data which illustrate well the need for a unified information system which may be used by clients as well as counselors. As part of his investigation, Ezekial conducted interviews with the WIN counselors on which of 29 specific

labor market and training information sources they used with any regularity. He found a great deal of variation both in the number of sources they consulted (between 3 and 13) and in the types of sources they used. When the ten counselors are grouped according to whether they are high users (five counselors who used between 10 and 13 sources, and 12 on the average) and low users (who used between three and nine sources, and seven on the average), there are no clear differences between the groups for 20 possible information sources. But there were quite distinct differences for the other nine: high users rely noticeably more on several specific formal sources, such as Employment Service periodic labor market reports, while low users are especially likely to say that they get labor market and training information from WIN clients and from "our heads." As we had supposed, it would be unwise to design a voucher system in which agency staff serve as information resources for clients unless the staff is provided with a uniform set of materials, and trained in their utilization.

While in our view the development of a new labor market information system was not crucial to the conduct of the feasibility study, we felt that training for the counselors in techniques of "nondirective" or "client-centered" counseling and client self-assessment[7] was essential. Although we had been told by the staff that their approach to counseling was basically nondirective, we felt that counseling in the context of the voucher system was likely to be sufficiently different that it would require explicit orientation and training. This training was conducted by Messrs. James Brooks and Craig Costa

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[7]A process in which the client, alone or with the aid of a counselor, analyzes the attributes of paid and unpaid work he has done of his leisure time activities, and his school course work, in order to identify his abilities, weaknesses, likes and dislikes as they relate to his vocational goals and aspirations.

of the staff of the Special Counseling Project of the Seattle income maintenance study, both experienced practitioners and teachers of these techniques. The counselors were trained for about three days just before the actual issuing of vouchers began

We found that the demand among clients for the special counseling, and in particular for self-assessment, was unexpectedly low--just half of those on whom we presently have information even started the process. Part of this is probably due to variations in WIN counselors' enthusiasm for and comfort with it.[8] But in addition to that, there are indications that the assumption that clients lacked information, a sense of objective, and satisfactory information sources was erroneous. For example, fewer than 20 percent of the clients entered the program without naming a specific occupation which was of interest to them. Further, the Portland voucher clients had fairly high levels of educational attainment--77 percent had finished 12 or more years of school (or the equivalent). And, it will be recalled, the time spent by clients on making occupational choices and in committing the voucher to a training institution was only eight days, on the average.

This does not necessarily mean that the clients did not want or need more help in developing a vocational plan and reaching the other decisions involved in voucher program participation. We do not

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[8]As we look back, the training may have been too short and may have come at the wrong time, when the counselors were also becoming familiar with the specifics of the program's procedures and generally readying themselves for the feasibility test, as well as managing their regular caseloads.

yet know, for instance, how they felt about their options and responsibilities--whether, perhaps, they felt abandoned by the agency or would have preferred to have decisions made for them. Early indications are, however, that such negative experiences of voucher program participation are not common. Among 45 voucher clients who were interviewed very early in the program,[9] fewer than one-fourth said that they wished that "the staff would make arrangements for my training, rather than my having to use a voucher." While this is not a negligible proportion, it appears that clients' discomfort with their role in the program is not a major problem. More comprehensive data gathered in interviews with clients, conducted during the summer and fall, will be presented in a report to be submitted early in 1975.

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[9]Short interviews were conducted with these clients and with the counselor to whom each was assigned, in order to gather information on the counseling process and its content. They were completed as soon as possible after the session in which vouchers were first discussed between the client and his counselor. It was originally our intention to have the BSSR on-site research staff monitor appraisal and counseling sessions directly. The plan was abandoned, and the interviews substituted, when Oregon WIN administrators expressed their firm opposition to the proposal.

CHAPTER III

Early Voucher Experiences: Empirical Findings

We have data available on the personal characteristics of 167 voucher clients and on their initial commitments for training. In order to put these data into some programmatic perspective, the data for voucher clients will be compared with those for 161 persons who undertook institutional training during 1973 in Portland.

While these comparisons will be useful as one means to assess certain effects of the voucher program, there are several respects in which they fall short of the ideal. In 1973, training activities in the Portland WIN program, like those in most of the other WIN projects in the country, were contracting, and in accordance with the provisions of WIN II, increasing emphasis was being put on immediate placement of clients. Institutional training was subject to a statewide average duration of six months, and one-third of all WIN expenditures were to go to on-the-job training and public service employment. The data on "regular" (1973) employees reflect this shift in program emphasis toward shorter, less-expensive training. Another factor affecting the regular and vouchered training comparisons is the fact that, especially in the case of private institutions, tuition costs rose rather markedly during the spring of 1974, just before the voucher program was introduced. These inflation effects in the cost data cannot be clearly isolated, but nonetheless weaken the utility of the comparisons. Because of these weaknesses, any conclusions about the relative efficacy of one or the other system of providing skill training are necessarily tentative and are advanced with caution.

Characteristics of the Trainees

The 167 voucher trainees represent about a third of the clients who were enrolled in the WIN program during the spring of 1974.[1] As groups, the clients in vouchered and regular training are very similar in their major background characteristics, though both sets of clients are fairly clearly distinguishable from all Portland WIN clients. Those in training, whether vouchered or regular, are somewhat more likely to be women, are more highly-educated, are younger, and are less likely to be nonwhites.

TABLE 1

BACKGROUND CHARACTERISTICS: ALL WIN CLIENTS, REGULAR TRAINEES, AND VOUCHER TRAINEES

	All Clients	1973 Regular Trainees	Voucher Trainees
Percent women	62	83	76
Percent with 12 or more years education	63	71	77
Median age (years)	30.9	27.4	26.5
Percent white	79	85	86

Offhand, it may be reassuring that the introduction of the voucher program did not attract large numbers of obviously unprepared

[1] This amounts to about 15 percent of all those referred to the WIN program. Of 1,123 clients referred to WIN during March, April, May, and June, 1974, 15 percent were placed into an inactive status directly from the intake process, another 12 percent did not show up for the more detailed appraisal interview on their qualifications and experience, and an additional 29 percent were rejected from the WIN program on the basis of the appraisal interview.

or unqualified clients (a fear which was expressed at the outset of the study). But the similarity in composition of the two training groups raises a basic question about the Portland test of the system. If the decision to undertake institutional training had been left entirely to the client, we might expect more noticeable differences between the groups. The reasons for the similarities are not clear but, as suggested earlier, there are two major possible explanations which would merit further investigation. First, it is possible that WIN staff were unable to keep from selecting those to be offered training, that they chose according to the same criteria that they used in 1973, and that the voucher program did not "work" in this respect. We are not able to demonstrate that this was not the case. For instance, one indicator of greater client autonomy in the decision to undertake training might be the relatively greater proportions among the voucher trainees of men and of those with 12 or more years of schooling (generally speaking, the male clients and those with higher educational attainment are better candidates for immediate job placement, rather than training). However, the differences in the sex and educational compositions of the voucher and regular trainee groups fall well short of statistical significance.

Another possibility is that the responsibilities which the voucher system itself imposed on the clients resulted in self-selection away from the program by less-qualified clients. Participation in

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[2] Male vs. female: $X^2 = 2.70$, d.f. = 1; NS.
Under 12 years vs. 12 or more: $X^2 = 1.59$, d.f. = 1; NS.

vouchered training required a good deal of client initiative in making occupational choices, searching for a school, and concluding a training agreement, and perhaps put off all but the most confident, decisive clients.[3] There is some evidence to support this interpretation. It will be recalled that very few voucher clients entered the program without a fairly clear notion of the occupation in which they sought training. The voucher clients also seemed to express a good deal of confidence in themselves. In the early interviews mentioned above, 84 percent agreed to the statement: "If I was given the opportunity now, I could probably get through college;" and every one agreed strongly or fairly strongly to: "I feel sure that I will succeed in the training I take." Furthermore, the counselors seemed to agree: they gave high estimates of their clients' self-esteem (an average of 3.5 of a possible total 4 points) and of their decisiveness on vocational training matters (3.6 of a possible 4).[4]

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[3]Thus, Goodwin's hypothesis that client autonomy would generate higher levels of self-esteem should probably be elaborated: perhaps the autonomy at least requires greater confidence in one's self, whatever its consequences.

[4]The self-esteem items:
This WIN participant:
has a realistic view of his/her abilities
lacks confidence in his/her abilities (reverse scored)
pretty well knows what he/she wants to do
tends to be insecure about his/her abilities (reverse scored)
tends to overestimate his/her abilities (reverse scored)
Cronbach's Alpha measure of internal consistency for these items is .72.

The decisiveness items:
This WIN participant:
has to be given a lot of guidance in making vocational decisions (reverse scored)
has difficulty in making decisions about vocational training (reverse scored).

We have very little systematic information about clients' reasons for not taking a voucher.[5] We know that it was not ever offered to some clients, or only cursorily offered, but not how often this happened. According to some of the counselors, some clients were put off by the notion of any kind of institutional training in a classroom setting--these were likely to be older men who felt they would be out of place there, or who felt that whatever needs they had for further skill training would best be met in some other way. Other clients could not or did not want to defer income in order to undertake training, and preferred instead to go to work. Some clients did indeed feel unsure about undertaking the decisions and negotiations required of them in the voucher program, and a few (15) either turned back a voucher after originally taking it or were unable to complete negotiations within the six-week limit (7). The aggregate importance of each of these--and other--reasons for not participating in the voucher program is presently not available, but will be a subject of future study of the system.

As was the case with the personal characteristics, the clients' statutory status in the WIN program is very similar for voucher and regular trainees, and different from that for Portland

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[5]Unfortunately, but as often is the case, the original objectives of the feasibility study, and therefore the design of the data collection operation, were more narrowly conceived than subsequent experience showed was required. In this particular case, had the focus not been so intensively on whether the voucher system could be accommodated at all within the existing program, we would have broadened the range of study-relevant variables to be measured, and certainly would have interviewed refusers of the voucher offer.

WIN participants in general. Half of each training group are volunteer clients,[6] while this was so for only about one-fourth of all WIN participants. Volunteer status in turn is related in several ways to some of the clients' personal characteristics which are of probable relevance to their voucher participation--volunteers generally tend to be younger than mandatory clients, to have been out of school for a shorter time, and thus are presumably more comfortable in classroom situations.

Given the marked similarities in the composition of the two training groups, perhaps it should not be surprising that there are also few large differences in the occupations for which they received training and in the schools which they attended. To put the emphasis a bit differently, perhaps the very ordinariness of the data to follow is itself an indicator of the feasibility of the voucher program, at least so far as occupational and school decisions are concerned. It certainly seems clear that some of the concerns about probable client and school behaviors to be expected in this program were unfounded.

The Occupations and the Schools.

The voucher clients made their occupational choices and completed the search for a training institution very quickly, on

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[6]The WIN program includes both mandatory and volunteer clients. Volunteers are those who are exempt from participation in the program by virtue of a variety of circumstances, most notably the presence in the household of a child under six years of age. These clients may, however, elect to receive WIN services.

the average.[7] The median time between the issuing of the voucher and signing of the training agreement by the school was only eight days. In a few (12) cases, the client's training search was interrupted by illness or some emergency, and was extended beyond the six-week period, but only 20 percent of the voucher clients needed four weeks or more to finish arrangements for training. It would be a mistake, however, to conclude that a revised version of the voucher program need not allow six weeks--or even longer--for clients to carry out the decision and search operations. For one thing, there were those few clients who were unable to conclude arrangements by then, some of whom might have been able to do so with a bit more time. For another, there is some evidence that at least some clients made decisions hastily lest they lose their voucher eligibility. Further, the data are undoubtedly affected by the factor of the time the voucher program went into effect. By the time the vouchers became available at the end of April, WIN funds for institutional training had been frozen for about three months, which probably created something of a backlog of demand for training. While this would not affect the program experience of mandatory clients, since they enter the WIN program on the agency's schedule, it certainly may have affected the plans of those volunteer clients who enrolled in WIN only because training money had become available again. For these clients, the problem would have been not so much whether to

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[7]The process by which they did this and the resources they used in these activities has been reported by the voucher clients in interviews, and will be discussed in the 1975 report.

enter training and what for, but rather the availability of the opportunity structure which was provided by the voucher system. It should be remembered in this connection that a good many of the voucher clients entered the program with an occupational goal firmly in mind; this was particularly so for volunteer clients. The very short average time it took the voucher clients to conclude training arrangements should, therefore, in our judgment, not be evaluated without taking into account the background characteristics of the clients, the proportion of clients who were volunteers, and the accidents of timing of the project itself.

The Training Occupations

Although the occupational distributions for vouchered and regular training are fairly similar, the voucher clients are being trained for slightly higher-level jobs, on the average. There are slightly higher proportions in the sub-professional, data processing clerical, and crafts occupations, and slightly lower proportions in "other" clerical (predominantly typists, clerk-typists, and receptionists) and service occupations. The reduction in the service category, which for both voucher and regular trainees is composed almost entirely of barbers and cosmetologists, may be only an artifact of the design of the voucher system, since training in cosmetology requires 14 months to complete, and could not be accommodated within the program unless the client had had the beginnings of the course at some time in the past. We shall be able to learn more about the extent, if any, to which the service category is artificially lowered when we analyze clients' interview responses to

TABLE 2

TRAINING OCCUPATIONS OF VOUCHERED AND REGULAR TRAINEES
(In Percentages)

Occupational Group	Voucher Trainees	1973 Regular Trainees
Professionals	4	3
Sub-professionals (e.g., nurses aide)	11	5
Clerical: data processing	11	4
Other clerical	39	57
Sales	1	2
Craftsmen	15	7
Operatives	13	11
Service workers	6	11
	100	100

questions about their occupational decision-making.

Leaving the occupational choice to the clients does seem to have opened up new options for them. One indication of this is that there is somewhat less concentration in the occupational distribution for the voucher than for the regular trainees: the largest single occupation category for each group--clerical, including data processing--includes 61 percent of the regular trainees, but drops to 50 percent for the voucher clients. Among the women, the reduction in occupational concentration was noticeably greater for the mandatory clients than for the volunteers. While the proportion

in clerical occupations was about the same for mandatory and volunteer clients under regular training (75 percent or so), and while it was lower by 9 percentage points for the volunteer clients in the voucher program, it was fully 19 percentage points lower among the mandatory voucher women. This suggests that there may have been considerably more decision-making by staff for mandatory than for volunteer clients in the regular training program, and that the introduction of client autonomy in the voucher program made the greater difference for the mandatory clients.

In addition to the greater dispersion in training occupation, there are indications that there is somewhat less sex-typing in the occupational choices of the voucher clients. For example, all of the voucher recipients who undertook barbering training were women. Women voucher clients were also more likely (11 percent) than regular female trainees (2 percent) to be in training as craftspersons, while the voucher men were slightly more likely (18 percent) than their regular training counterparts (11 percent) to be trained in clerical occupations other than data processing.

The apparent general upward shift in the distribution of training occupations among the voucher clients is only partially reflected in estimates of clients' potential earning power. When the training groups were compared on median earnings for their training occupations using national data from the 1970 census, the voucher clients were in just slightly a better position, with

potential annual earnings ($4,670) only four percent above those for the regular trainees ($4,510).[8]

We do not now have firm measures of the "suitability" of the training occupations for either group of trainees. But a gross measure, the relationship between occupation and educational attainment, suggests that voucher clients' occupational choices may have been the less suitable: the correlation (Ø) between education and occupation is .35 for regular trainees, .04 for the voucher clients.

TABLE 3

OCCUPATION BY EDUCATION: VOUCHER AND REGULAR TRAINEES[a]
(In Percentages)

Occupation	Education					
	Less than 12 years		12 years or GED		More than 12 years	
	Voucher	1973 regular	Voucher	1973 regular	Voucher	1973 regular
Professional, subprofessional	8	9	15	6	28	9
Clerical, sales	46	53	56	71	38	61
Blue collar	46	38	29	23	34	30
	100	100	100	100	100	100

[8]These data are in no way intended as indicators of eventual probable reductions in welfare expenditures, since the aggregate estimates are made on the dubious assumptions that all clients finish training, that all enter the labor force in the occupation for which they were trained, and that all earn at the national median rate for that occupation. The earnings data are presented merely as additional indicators of the relative experiences of the two training groups.

There are, of course, many alternative measures of the suitability of the occupational choices,[9] among them successful employment and retention, job satisfaction, and so forth. We shall investigate these and other indicators of suitability as the data become available.

The Training Institutions

As mentioned above, it was thought that the voucher program might pose some threat to the public vocational education system. For one thing, in the regular WIN training program public institutions were to be given priority over schools in the private sector, a priority which was not a constraint in the voucher clients' choices. Another factor which we thought might work against clients' selection of a public training institution is that private schools tend to have shorter, more intensive courses, and to have more frequent starting dates. Further, though the costs of training are higher in the private than in the public schools, there was no ceiling on tuition for the voucher clients, so that we did not expect costs to be a deciding factor in the choice of school.

As it happened, this concern like so many others was exaggerated, at least so far as the public/private balance is concerned.

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[9] In fact, these data might validly be used as indicators of the response of the training institutions to the voucher program, if the low occupation-education correlation for the voucher clients comes about because the schools were admitting the clients as students without taking into account their preparation to undertake the course of study in question. Our investigation of the criteria by which the training institutions admitted or rejected voucher applicants is not complete, but the role of education as a factor in admission will be an important focus of the analysis.

TABLE 4

TRAINING INSTITUTION: VOUCHER AND REGULAR TRAINEES
(In Percentages)

School	Voucher trainees	1973 regular trainees
Public	42	27
Private	58	73
	100	100

The voucher clients not only chose public institutions in noticeable proportion, but were in fact more likely to be trained in public schools than the 1973 regular trainees were.

Among those who committed their vouchers to private schools, there was no particular evidence for the hypothesis that, left with the choice, clients will select a broader range of training institutions. Surprisingly enough, although there are about 200 private skill training schools in the Portland area, vouchers were used for training in only 24 of them (the same number of private schools used for regular training in 1973). Further, with very few exceptions, the two groups of trainees went to the same schools. The only noticeable shift in school selection seems to be a relative under-selection of one secretarial school by voucher clients (attended by only two percent of the voucher trainees in private institutions, but 25 percent of regular trainees).

Since each voucher client was provided with a listing of all public and private training institutions in the Portland area,

we had expected more difference in the schools attended by the two groups of trainees. Some of the similarity is probably due to a propinquity factor, the tendency to attend a school which is close enough to home not to pose serious transportation problems. But this hardly appears to be the major explanation: two of the WIN counselors worked in an area fairly well removed from downtown Portland, with a community college nearby; yet 60 percent of the voucher clients of one counselor went to private training institutions, while 65 percent of the clients of the other went to the community college.

The school distributions might be as similar as they are if it were the case that the voucher clients sought more guidance from WIN staff members on schools than on occupation, were given tentative suggestions by counselors on the basis of past experience, made their initial inquiries at those institutions, and committed the voucher there without looking further. We will know more about the extent to which the voucher clients shopped around for a school when the analysis of the interview data is completed. That analysis should also help us to understand more in general about the reasons that a client receives training in one school rather than another.

The Length and Costs of Training

While the possibility existed that the training institutions would take undue advantage of the provisions of the voucher program by writing every training agreement for 12 months at a cost of $2,500 or more, that situation did not materialize. The median length of vouchered training was 36 weeks, and just 22 percent of

the training courses were scheduled for 11 months or more.[10] This is noticeably longer--by about 3.5 months--than the average total training time for the 1973 regular training program (21 weeks median, with four percent lasting 11 months or more). At the same time, however, it is well below the 52 weeks maximum available in the voucher program.[11]

TABLE 5

LENGTH OF TRAINING: VOUCHER AND REGULAR TRAINEES
(In Percentages)

Length of Training	Voucher trainees	1973 regular trainees
Less than 4 months	16	14
4-6 months	12	70
More than 6 months	72	16
	100	100

Part of the increase in total weeks of training is due to the relatively greater reliance of the voucher clients on public institutions: the vouchered training in public institutions was 16 percent

[10] A word of caution here: This is the length of training required as projected by the school in the initial agreement. We know, however, from past experience with WIN--and other--training that the instruction period often must be extended because the student's progress is slower than expected, because the training is interrupted by personal or family problems, etc. There is every expectation that the voucher agreements will require similar extensions as time goes along. It should be noted that all vouchered/regular training comparisons are based on initial, not eventual or amended, contracts.

[11] While we do not wish to prejudge the probable response of training institutions to a large scale voucher system, it should be recalled that a relatively small number of vouchers was issued over a short period of time, with a minimum of publicity in the community.

longer, on the average, than that in the private schools. When the total instructional hours are compared for the vouchered and regular

TABLE 6

TOTAL INSTRUCTIONAL HOURS: VOUCHER AND REGULAR TRAINEES
(In Percentages)

Instructional Hours	Voucher trainees	1973 regular trainees
Less than 249	21	22
250-499	12	26
500-749	22	35
750-999	10	6
1,000 or more	35	11
	100	100

training groups, the voucher clients still receive more training (700 hours at the median vs. 515 for regular training), but the increase for the voucher clients is considerably smaller.

As is the case with the length of training, the costs of vouchered training fall well short of the possible maximum, but above those for regular training. The median total voucher cost (tuition, books, and supplies) of $919[12] was 77 percent higher than that for regular training in 1973 ($519).

[12]While just four percent of the training agreements were written for $2,000 or more, the costs of vouchered training are probably slightly understated at the upper end, because of the few agreements which were rewritten at the request of the WIN agency to total less than $2,500.

TABLE 7

COST OF TRAINING: VOUCHER AND REGULAR TRAINEES
(In Percentages)

Tuition, Books, and Supplies	Voucher trainees	1973 regular trainees
Free	--	2
Less than $500	30	46
$500-$999	24	42
$1,000 or more	46	10
	100	100

The relative costs of training reflect several differences between the two systems. For one thing, four of the regular trainees had received tuition-free training; when they are excluded from the calculations, the median for regular training rises slightly, to $534. In addition, though the greater tendency of the voucher clients to go to public institutions operates to deflate the cost of training, the longer overall length of training for voucher clients, the slightly greater proportion of men among these trainees, the shift (especially among the women) into higher-cost training occupations, and secular inflationary tendencies all operate to increase the costs of vouchered training.

We do not yet have available the true relative total cost of vouchered training. The amounts reported above do not include the extra expenditures associated with maintaining voucher trainees on

public assistance for a longer period, with biweekly incentive payments and reimbursements for training-related expenses for longer periods, and the small amounts provided for expenses while clients searched for a training arrangement (a median cost of about $18 for the clients who used this fund).

Another cost of training is that for staff time spent in arranging training for the clients, which is expected to be lower for the voucher clients than for the regular training group. A dollar figure for this expense will be much more difficult to arraive at, and will necessarily be a rough estimate.[13] Collection of data for these more complete cost estimates is proceeding.

The Counselor's Experience with the Voucher Program

One aspect of the voucher program which has not yet been fully addressed is the WIN counselors' experience with it. We have only sketchy data on this matter so far. One piece of information is the number of vouchers issued by each team. The other comes from the sample of 45 clients who were interviewed early in the program, and has to do with the degree to which they felt that counselors were in fact able to leave decisions to clients.

We had originally assumed that the number of vouchers issued by each team would be a useful indicator of how comfortable the WIN staff were with leaving training decisions to the clients. It seemed reasonable to suppose that if there were a wide range in the number

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[13]Again, the narrow focus of the original study objective has had consequences for what we can and cannot say about the broader aspects of the voucher program. We whall plan to arrange for considerably more systematic and accurate time expenditure information in future studies of the program.

of vouchers issued by each team[14] (as in fact there was: between 10 and 31), we would have an indication of what might be undesirable variation in the counselors' interpretation and application of the program procedures. However, this approach rested on the erroneous premise that clients were assigned to teams on an essentially random basis during the WIN program intake process. in reality, as was clarified only late in the study, there was some degree of informal selective assignment, based on combinations of characteristics of clients and team members. Thus, what may appear to be differences in counselor behavior might very well simply be differences in the aggregate characteristics and behavior of the clients who got assigned purposively to one team or another. A very concrete example of the problem is this: suppose purely hypothetically that one team issued no vouchers at all. Suppose further that clients who are not interested in training (say, those who are eager to go to work immediately) are routinely assigned to that team because it has a particularly successful job developer. In this case, it would surely be inaccurate to suggest that the counselor in question was withholding vouchers from interested prospective trainees and thus unable to operate within the procedural boundaries of the program. We expect to be able to modify the effects of nonrandom team assignment of clients for future studies of the program. We also will be able to present a more thorough report on team effects in the original Portland program when analysis of interview data is completed.

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[14]And if there were noticeable team-to-team differences in the level of training occupation and the public/private balance in schools, taking client's residence into account.

According to clients' reports, the WIN counselors were largely successful in relinquishing the guidance role and assuming the position of facilitator of clients' decision-making, at least once the client had been offered the voucher. Clear majorities of the respondents reported that they were told that how they used the voucher was up to them (82 percent), that the staff made it clear that the voucher could be used for any training (91 percent), and that the staff had not tried to change the clients' minds about their training (91 percent). What noticeable departures from this pattern there are seem to have been confined primarily to one team. The counselors seem also to have been successful in explaining the use of the voucher (78 percent), in making its use seem simple to the client (82 percent), and in giving the client all the help he felt he needed to use it (84 percent).

Generally, according to these reports, the volunteer clients were slightly more often left on their own by the WIN staff, at least in what they were told about their autonomy. But differences for mandatory and volunteer clients are minor, and the data generally suggest that the counselors were approximately as comfortable with the voucher program for mandatory as they were for volunteer clients, despite the view often expressed to us that volunteers are considerably better risks for training (for the reasons of age and recent school experience mentioned above).

We are left, then, with incomplete findings on whether members of the WIN staff were "really" able to operate within the provisions of the voucher program. The indications are that they were able to do so, once the voucher had been issued to the client. This is not to

say that the counselors were uniformly enthusiastic about the program (although their enthusiasm was generally higher after three months' experience with the system). Nor is it to say that they were consistently comfortable with individual clients' decisions (which is probably as it should be). There is little question, however, that original concerns about the possibilities of the staff's lack of cooperation proved to be necessary.

CHAPTER IV

Conclusions and Plans for Future Research

It might be useful to summarize these early findings in terms of their bearing on several central issues of administrative feasibility.

First, will clients accept the voucher and undertake the responsibilities associated with it? If no clients were to want the voucher, the system would clearly not be feasible. The same would be true if all clients were to want the voucher, since that would fundamentally alter the structure of the WIN program. The Portland experience is that the voucher program was indeed attractive to some of the clients who became WIN participants during the life of the study, but not to everyone. It further appears that it was differentially attractive to the younger, better-educated, white women among the WIN clientele.

Second, can clients make decisions on occupations and training institutions, and can they successfully negotiate admission to training without agency intervention? The Portland experience suggests that clients can do so. Few were unable to commit the voucher or returned it for other reasons. With minor exceptions, this process was carried out without the direct participation of the WIN staff. And a minority of clients wished for such staff intercession.

Third, are these decisions "reasonable" ones? Insofar as the decisions made in the 1973 regular WIN training program were reasonable, those of the voucher clients were reasonable, in the aggregate. With particular respect to choices of occupation, there were some indications that the voucher clients opted for a somewhat higher level of

occupation and concentrated less in a narrow range of occupations. There were also indications that occupational choices were somewhat less sex-typed among the voucher clients. There is some question about the suitability of the choices at the individual level as they relate to clients' educational level, but the question remains open pending analysis of additional data.

Fourth, will the voucher program pose a material threat to the public training establishment? The relatively greater tendency for the Portland clients to choose training in public over private schools suggests that this is not the case. It should be recalled in this connection (and it is relevant to the following point, as well) that the Portland study was conducted with a fairly small number of clients over a brief period, and with very little publicity, and it is likely that any tendencies on the part of schools to undertake active recruitment of voucher clients had no time to develop.

Fifth, will clients and/or schools tend to contract for the maximum training time and money allowable under the voucher system? The Portland experience is that they will not. The median total training time of 36 weeks was well below the maximum time available for training, and very few training agreements exceeded a cost of $2,000.

Sixth, will vouchered training cost substantially more than regular WIN training? Yes. Because the voucher clients undertook longer periods of training, because they shifted toward higher-cost training occupations (especially among the women), because there were relatively more men in the voucher group, because private training institutions raised their tuition costs shortly before the beginning

of the program, and despite the greater tendency for voucher clients to enroll in public institutions, the median cost of vouchered training of $919 was about 75 percent higher than that for the 1973 regular trainees.

Finally, can WIN staff members work within the voucher program guidelines, and operate in new ways which are helpful to the clients? The evidence which we have available so far is limited and the results mixed. It may be that the Portland counselors continued to make preliminary judgments on clients' potential for training before offering the voucher. At the same time, it appears that they were able to allow client autonomy on occupational and school choices, with variable degrees of comfort, but generally very successfully. They are reported to have exercised little direct control over clients' decisions, and to have explained the voucher system satisfactorily. Less systematic data indicate that the members of the staff were for the most part even more enthusiastic and confident about the voucher program after some months' experience with it than they had been at the outset.

Generally, there seem to be few grounds for doubt that this is an administratively feasible program, and it clearly merits further and more detailed study.

Next Steps

There are several directions in which the study of vouchering skill training should be extended and broadened. To begin with, there are many additional questions still to be answered about the relative efficacy of the voucher system in Portland itself. At a more general

level, it would be useful to consider the feasibility of vouchering other kinds of training, especially on-the-job training. Third, it is important that the voucher system be tested in WIN programs which are less well-organized than the Portland WIN program is, and where the clients are more broadly typical of urban disadvantaged clients. And studies of possible applications of vouchering in programs other than WIN would contribute still more to our growing knowledge of this alternative service delivery system. We expect to begin on the first two of these tasks shortly. Our plans are described briefly below.

Follow-Up of the First Voucher Clients

The original grant to BSSR provided that observations be made only through the period during which vouchers were issued and committed by clients to training institutions. Because there was no certainty that this program was administratively feasible or that many vouchers would actually be issued, there seemed no point to provide for systematic follow-up work. Since it turned out that the project functioned smoothly, follow-up is now possible and worthwhile. There are important additional considerations bearing on the feasibility of vouchers for training, which go beyond the issue and commitment steps. These include relative drop-out and training completion rates among voucher clients; labor force participation rates; occupational destinations of the employed trainees, and the characteristics of their jobs; relative job retention rates; and post-training welfare dependency patterns. Thus, we shall expand the original administrative feasibility study into a broader general evaluation of the Portland voucher program. In this way, we shall be able to develop considerably more understanding of the relative utility of vouchered training which

will be useful in reaching decisions on whether to adopt a voucher option as an alternative method of providing manpower training to disadvantaged clients.

Interviews with clients.--The follow-up study will involve two waves of interviewing with the 167 voucher clients, in addition to the interviews already completed under our present grant, which were conducted at the time clients concluded agreements with training institutions.

At the time clients leave their training--whether they complete it or drop out--each will be interviewed on his experiences in training and his evaluation of the instruction he received; satisfaction with his choice of occupation and vendor; factors in decisions to change school or occupation, or both;[1] factors leading to dropping out of training; and current labor force and employment plans and expectations.

These clients will be re-interviewed about six months after they leave training, in order to gather data on labor force participation; the characteristics--pay, tenure, training-relatedness--of all occupations held since training; periods of welfare dependency since training; factors involved in the need to rely for income partially or totally on public assistance; and projected employment and expectations.

Interviews with a comparison group of institutional trainees.--Information paralleling that described above will be compiled for

[1]This should involve relatively few cases, so far as we now know, but they should be particularly interesting to study.

approximately 160 clients who received institutional training in the Portland WIN program prior to the introduction of vouchers. This will make it possible to carry the analysis beyond simple examination of differentials in voucher utilization, to a broader examination of the overall relative efficacy of the voucher and more traditional systems of providing skill training.

Interviews with training vendors.--One of the major questions which may be raised about voucher systems in general, and the Portland WIN voucher program in particular, is whether the freedom of the client to choose (or reject) any vendor will result in development among training suppliers of more responsive and relevant course offerings. However, the circumstances under which vouchers were issued in Portland--over only a four-month period, to a fairly small number of people, and with a minimum of advance publicity--make it unrealistic to expect to observe marked general changes in vendor behavior there. We plan partially to offset this lack of information by conducting interviews with the training institutions chosen by the voucher clients, in order to explore vendors' reactions to the voucher program, factors in their decision to accept the client as a student, their involvement in planning the training course for the individual (including any attempts to tailor training to accommodate the one-year training limit designated for Portland I), and their estimates of the appropriateness of the client's choice of occupation and school. The data from these interviews will yield valuable information on the "supply" side of the voucher transaction, and will enable us to make some general judgments on the likely response of the training community if vouchers were to be adopted on a programmatic basis.

Interviews with employers.--Finally, we shall interview a sample of employers in the Portland area on two topics. The first of these is whether employers evaluate the graduates of different training institutions differently, and whether they would hire graduates of one school in preference to those of another. Two kinds of anecdotes have led us to believe that these interviews will give us valuable information to complete our understanding of the impact of the voucher program. One is that local dentists are said to be reluctant to hire the former students of a specific trainer of dental assistants, because the course of instruction does not include material on sterile technique. The other anecdote concerns just one client, but gets to the core of the question of the effects of local hiring practices on the ultimate success to be expected from this type of program. The first voucher issued in Portland went to a woman who wished to be trained as a long-haul truck driver. She negotiated her admission to a school (not without some difficulty) and completed her training successfully, but has so far been unable to find work as a truck driver because local trucking firms are resistant to hiring women drivers.

The second question we shall explore with the employers is whether institutional training (rather than, say, on-the-job training or an apprenticeship) is in fact a reasonable and regular route to employment in the occupation in question. This should give us useful data with which to judge whether efforts--vouchered or not--to provide for institutional training for these or any other clients are justified, and to what extent.

Study of a Modified Voucher System

We had originally planned to modify the voucher system to include both on-the-job training (OJT) and institutional training as options for voucher clients. We felt that including both modes of training would expand the range of clients' choices in several ways. First, it makes available a good number of occupations for which preparation is exclusively or predominantly on the job, rather than in a vocational school. Second, it offers an alternative learning setting to individuals who are afraid of, or antagonized by, classroom situations. Further, we felt that allowing the client to allocate the voucher to more than one mode of training might result in interesting and useful combinations of sources of skill acquisition, such as an institutional supplement to OJT.

We also had planned to extend the maximum length of training to two years, for several reasons. For one thing, extending the length of training would make training available in a number of occupations which do not fit into the one-year limitation. Second, training institutions often require that students have a GED before they undertake instruction or receive certification of completion of training. Extending the time available for training would allow these clients to complete for the GED as well as a year or more of skill training. Finally, we found in Portland, as well as in other cities during earlier site exploration interviews, that WIN programs serve a numerically small but clearly identifiable group of welfare recipients who have the educational background, motivation, and talent to benefit from longer and higher-level training with a good likelihood of ultimately

succeeding in professional-level employment. We believe that it is unfortunate from several points of view--the utilization of human resources, the life chances of these individuals, and the reputation of the WIN program in the community--that such individuals are not provided with opportunities for training appropriate to their potential.

A series of developments affecting the WIN program at the national level and the operations of the Portland office has made it necessary to restrict the scope of this study considerably, and to eliminate or at least postpone plans for any type of institutional or longer-term training. We are therefore planning to introduce vouchers for OJT alone, on a trial basis, and to limit that training to one year. Nonetheless, we expect to be able to develop a good deal of useful and interesting information pertaining to the utilization of vouchers for this alternative mode of training. Fortunately, we will also have the data on vouchered institutional training available for certain comparative uses.

In preparation for this next study, we have made some modifications in the program procedures which were developed for the institutional training, to accommodate a series of rules and regulations which are specific to OJT. One of these changes is to rearrange client, vendor, and agency staff roles along somewhat different lines, putting the agency in the mediating role to a greater extent than was the case in the earlier system. OJT voucher clients will decide on the training occupation, will seek an employer, and will secure his agreement to provide the training. The total length of training and the trainee's

starting pay rate, which are currently set by WIN, will be determined instead by the employer (subject to the one-year limit and provided that the pay rate is not lower than $2.40 per hour). The actual writing of the OJT contracts will be done by the WIN job developers, who are experienced in the formal legal aspects of the contracting process.[2]

Second, there are a few restrictions on occupational choice and vendor eligibility in the OJT voucher program which did not apply in the original program. These restrictions are those which are currently in the WIN OJT regulations. Vouchers may not be used for training for occupations in which the primary source of income is a commission, for example, or for training as a bartender or a seamstress.

With these exceptions, the vouchering of OJT will proceed much as the institutional training program did, and its feasibility will be assessed in the same ways.

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[2]In the case of institutional training, the school-agency relationship was established when representatives of each signed a simple Agreement. The OJT contract, however, has a different legal status and, in its present form, is considerably more complex. It is our feeling that the OJT clients would not gain any experience or information of particular value by being required to master these complexities.